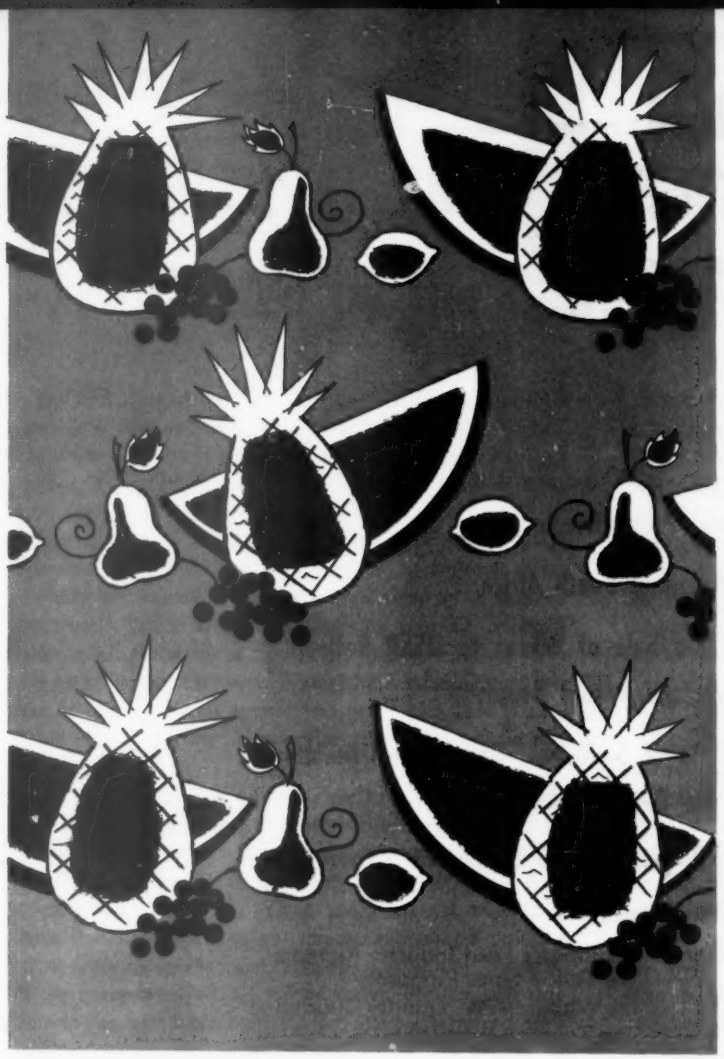

SEPTEMBER 23, 1963

OF MICHIGAN
OCT 14 1963
PERIODICAL READING ROOM

BIG CANADIAN WHEAT SALE

FRUIT CANNING IN SOUTH AFRICA

HOW AGRICULTURE IS PROTECTED

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

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Including FOREIGN CROPS AND MARKETS

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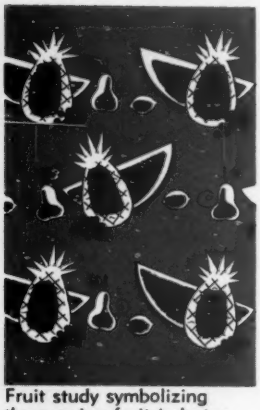

Fruit study symbolizing the growing fruit industry of the Union of South Africa, described on page 4.

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DEPOSITED BY THE
UNITED STATES OF AMERICA

AGRICULTURAL PROTECTIONISM
—as practiced by the world's leading nations

The U.S. Department of Agriculture has just published a highly significant study of nontariff agricultural protectionism which shows that all our major trading partners practice a higher degree of protectionism through nontariff barriers than does the United States.

The study was prepared by a group of international economists of the U.S. Department of Agriculture, using carefully determined criteria applied equally to all selected countries. While it is impossible to measure nontariff agricultural protectionism precisely, our economists were able to arrive at effective indicators by comparing the portion of each country's agricultural production that is protected from outside competition by nontariff import controls.

The reason for U.S. concern over nontariff import controls (such as import quotas, embargoes, variable levies, monopolies, preferential treatment, import licensing, bilateral agreements, etc.) is that they tend to be arbitrary national trade barriers. Their use does not necessarily mean that a nation does not import agricultural products but it does mean that such importing is at the discretion of the government. Unlike fixed tariffs, the nontariff controls in the past have been subject to very little reduction as a result of international arbitration and negotiation.

How much protection

Using nontariff imports controls as the criterion, the study found selected countries to be protecting the following percentages of their domestic agricultural production from outside competition:

United States	26	Japan	76	France	94
United Kingdom	37	Netherlands	79	Switzerland	94
Canada	41	Greece	82	Norway	97
Australia	41	Denmark	87	New Zealand	100
Italy	63	Austria	91	Portugal	100
Belgium	76	West Germany	93		

American agriculture repeatedly has been accused, both at home and abroad, of maintaining a highly protectionist trade structure. The facts show that this is not true. The United States is among the most liberal in the world in its agricultural import policies. The farmers of the United States carry out their production operations with far less protection from competitive imports than do farmers of practically all other countries. Furthermore, in the past few years, we have made substantial reductions in our import protections provided under Section 22.

As the study reports, today we exercise import controls only on wheat, sugar, peanuts, cotton, and dairy products. All other agricultural products may and do come into the United States in unlimited quantities, subject only to meeting health, sanitation, and quarantine safety requirements, and to payment of fixed tariffs where specified.

The study does not report on U.S. agricultural tariffs, but here again for most farm products our tariffs are moderate and we are at the low end of the scale among major agricultural exporting countries.

30 years of reducing tariffs

The United States has steadily been reducing its tariff rates on agricultural imports for 30 years, beginning with enactment of the Reciprocal Trade Agreements Act in the 1930's. The average tariff rate on dutiable agricultural imports was brought down from 88 percent in 1932 to 10 percent by 1959, with slight reductions since 1959 and even further reductions in prospect through reciprocal negotiations under the Trade Expansion Act. The average duty imposed on U.S. agricultural imports is lower than that imposed on U.S. nonagricultural imports.

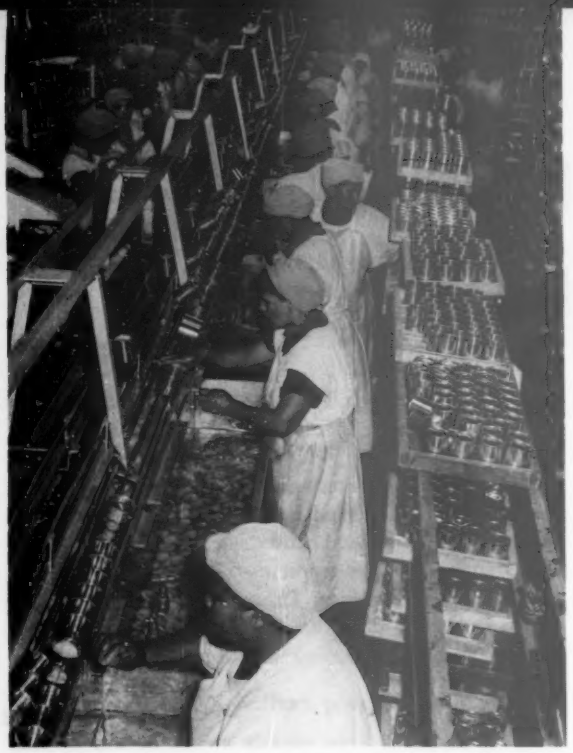
The two-way trade in agricultural commodities practiced by the United States is of a vigorous healthful nature. We are both the world's largest exporter of agricultural products and, because of our high purchasing power and liberal policies, the world's second largest importer of agricultural products, exceeded only by the United Kingdom. While we import large amounts of noncompetitive items such as coffee, cocoa, bananas, crude rubber, spices, and so on, over half our agricultural imports are products that compete with our own farm production.

In 1962, U.S. commercial exports of farm products sold for dollars came to $3.5 billion, whereas our imports of competitive agricultural products came to $2.2 billion, a plus export balance of $1.3 billion.

As realists we are not seeking completely free trade. For many reasons—economic, political, and social—no country is either prepared or willing to remove all protections from its agriculture. The basic question has to do with the degree of protection. We think it should be moderate. If the fruits of agricultural science and technology and efficiency are to be made readily available to consumers, nations must participate in active two-way trade, which is not impeded by high tariff and nontariff barriers.

ORVILLE L. FREEMAN
Secretary of Agriculture

This study, *Agricultural Protection by Nontariff Barriers,* is available without charge, Office of Management Services, Room 1469, U.S. Department of Agriculture, Washington, D.C. 20250.



Fruit canning factory in the Western Province.

Fruit Canning In South Africa

—an important export industry that's growing

By WILLIAM J. EDENS
U.S. Agricultural Attaché
Pretoria, Republic of South Africa

The Republic of South Africa's canned fruit industry has mounted steadily in the past 15 years, during which time it has emerged as a leading foreign exchange earner for the country. Furthermore, the Republic, exporting approximately 82 percent of its production, now competes keenly with the United States and Australia for the canned fruit markets of the United Kingdom, Canada, and Western Europe.

Production consists mainly of deciduous fruits, most important of which is the peach, followed by apricots and then pears. In recent years pineapples have also gained and they now rank next to peaches in volume, as shown in the following table:

	1959	1960	1961	1962	1963 [1]
	1,000 packs [2]	*1,000 packs* [2]	*1,000 packs* [2]	*1,000 packs* [2]	*1,000 packs* [2]
Apricots	888	780	864	629	831
Peaches	1,499	2,369	2,671	2,699	3,539
Pears	525	562	769	645	875
Pineapples	1,792	1,835	2,367	2,069	1,389
Grapes	51	61	60	81	6
Other	733	752	614	769	503
Total	5,488	6,359	7,345	6,892	7,143

[1] Preliminary. [2] 45-pound packs.

In 1961-62, South Africa exported $39,900,000 worth of canned fruit, most of it—$32,890,000 worth—going to the United Kingdom. Domestic consumption in that period accounted for only about 18 percent of total fruit canned.

The Republic's canned fruit has duty-free entry into the United Kingdom under the Commonwealth Preference Tariff, while countries outside the Commonwealth—such as the United States—must pay a duty of 12 percent plus a 5/8-percent sugar duty. Thus, the fact that the United Kingdom has not become a member of the Common Market has probably worked to the advantage of South African fruit growers. However, the Republic does have a natural advantage in the high quality of its fruit, especially the yellow clingstone peach; the Kokamus variety, which has a high, orange-red color, is much in demand on the U.K. market.

South African exports of canned fruit to the United Kingdom for 1961 and 1962 were as follows:

	1961	1962
	1,000 packs [1]	*1,000 packs* [1]
Apricots	748	514
Peaches	2,129	2,014
Pears	528	535
Pineapples	2,173	2,025
Grapes	52	46
Other	452	479
Total	6,082	5,613

[1] 45-pound packs.

Exports for 1963 are expected to be as large as they were in 1961, and for 1964 the outlook is for a rise of about 12 percent above those in 1963.

Prior to World War II, South Africa was a small supplier of canned fruit to the United Kingdom, which imported most of its canned fruit from the United States. But postwar restrictions by the United Kingdom on U.S. fruit imports, plus expanded fruit production in South Africa, helped to put the Republic in a favorable export position. Since 1959 the United Kingdom has ceased to restrict imports of U.S. canned fruits.

Also working to the advantage of South Africa is an agreement between its fruit industry and the South African Sugar Association. The Association sells sugar to the Republic's canners at the London daily quoted price, plus shipping costs. However, when the world (London) price increases, the Association continues to sell sugar to the

Above, huge trays of apricots dry in South African sun. Right, workers load pineapples on truck; lower right, laborer collects apples.

canners at the current internal consumer (industry) price —$115.26 for white sugar and $106.86 for brown.

The principal South African deciduous fruit-producing areas are located up to 100 miles north of Cape Town and in a narrow mountainous belt to the east, between Cape Town and Port Elizabeth. In 1961 these areas had 5.9 million bearing and nonbearing apple, pear, peach, and plum trees. During the 1958-61 period, the number of apple trees increased by 19 percent, pear trees by 10 percent, and plum trees by 12 percent. The number of peach trees, however, decreased by 20 percent because of unfavorable weather and delayed defoliation, and they have not been replaced with new varieties.

Most of the Republic's canneries are located in the main Cape Province fruit-producing areas. About 30 separate firms produce canned fruit in about 40 different canneries. Some of the plants also can vegetables, and a few, citrus fruit. Citrus fruit is canned principally in the northern part of the Republic where the main citrus production areas are located. The following amounts of oranges, lemons, and grapefruit were delivered to citrus fruit processors from 1960 to 1962:

	1960	1961	1962
	Short tons	*Short tons*	*Short tons*
Oranges	35,327	30,474	57,123
Lemons	3,218	4,013	2,848
Grapefruit	4,901	6,059	10,547

In 1962, 419,000 gallons of orange juice and 393,000 gallons of orange juice concentrates were exported. The United Kingdom received the major part of each, the German Federal Republic ranking second. However, orange juice that year was exported to more than 30 countries, with the concentrates going to 13 countries.

Canada's Big Sale of Wheat to USSR Reflects Huge Crop and Record Supply

In the midst of harvesting one of its largest wheat crops on record, Canada has signed an agreement to ship the Soviet Union more than 200 million bushels of wheat and flour equivalent in the next 10½ months.

This is the largest single wheat sale in Canada's history, with a value estimated at a minimum of $500 million. It has pushed Canada's estimate for wheat exports during the 1963-64 crop year to a record 550 million bushels instead of the 320-330 million predicted in August. It has also greatly relieved the surplus situation expected for 1963-64.

Background of the Canadian-Russian agreement—renewal of a 3-year pact—appears to be a sharp expansion in Soviet wheat needs due to crop reverses, plus the equally sharp rise in Canada's wheat supply—as its big new crop is added to its carryover.

Russia's wheat needs large

Bad weather ruined many a wheat crop in Europe this year, and losses in the Soviet Union too have apparently been severe. In recent years, the Soviets have ranked as either the third or fourth largest world exporter of wheat, averaging about 5 million tons a year. Yet known Soviet *imports* this year add up to more than 7 million tons, including the new supply from Canada (equivalent to about 5.5 million). If the Soviet Union has no wheat surplus for export, as seems indicated, much of the high-quality wheat being bought from Canada may be destined to meet the needs of Russia's own customers, especially Iron Curtain countries.

Canada harvests huge crop

The August forecast places Canada's 1963 wheat production at 694 million bushels. The record wheat crop was the 702 million bushels harvested in 1952. The new crop, plus the carryover at August 1 of 491 million bushels, makes a total supply of about 1,185 million bushels. The previous record wheat supply was 1,153 million bushels in 1956-57.

Favorable growing weather and an expanded wheat acreage have both been important in contributing to the 1963 bumper crop.

Over wide areas of the wheat belt there was ample moisture and temperatures were normal during most of the spring and summer. Rainfall, often the limiting factor in the Prairie Provinces, was above normal in most areas this summer. However, in August the thermometer was over 90 degrees for 10 days, which will reduce yields in some sections.

Canada's seeded wheat acreage of 27.6 million acres this year was the second largest on record, exceeded only in 1940. During the years of large surplus stocks, 1955-59, the country's wheat acreage averaged 22.7 million acres.

The three Prairie Provinces this year will be producing about 97 percent of the Canadian wheat crop, with the Province of Saskatchewan accounting for over 65 percent. About 98 percent of the crop is spring wheat.

Some very interesting events have contributed to the sharp increase in acreages sown in 1962 and in 1963.

Dry hot weather in 1961 resulted in one of the smallest wheat harvests since the dry years of the 1930's.

In the spring of 1961, the Canadian Wheat Board made a long-term (2½-year) wheat export sales agreement with Communist China.

Large Communist China wheat purchases from various exporting countries and decreased stocks created a stronger world demand, and prices for wheat rose somewhat.

In 1961 and in 1962, the Canadian dollar declined in value and has since continued at a discount. This has resulted in higher local wheat prices: during the past year, wheat prices in Canadian currency have been the highest in 40 years.

With the good wheat export movement and the short 1961 harvest, country elevators began to have space available so that farmers who had surpluses stored on their farms for several years suddenly found they were able to sell their surplus stocks.

The former Minister of Agriculture enthusiastically encouraged Prairie farmers to grow more wheat in 1962 and in 1963. He told them "you grow more wheat and we'll sell it."

Also contributing to the expansion in Canadian wheat acreage is the fact that Prairie grain farmers like to grow wheat—if they can sell it. During the years of large surplus stocks, there was considerable diversification from wheat to other cash crops and to livestock. This year has been a different story. Prairie grain farmers have been enjoying the most prosperous season in several decades. High wheat prices, good growing weather, and an opportunity to sell surplus farm stocks have brought smiles even to the extreme pessimists.

Some short crops

Not all districts of the Prairies will harvest a record crop. In the eastern half of the grain belt, stem and leaf rust have reduced yields in many districts. Drought in southern Alberta in the spring and in the Peace River area in midsummer resulted in short crops. Hail storms in a few districts have also been destructive. However, grasshopper infestation this year has been very limited, and in areas affected, spraying has minimized losses.

Many farm leaders, while rejoicing over the bumper crop this year, are becoming concerned about storage facilities for the record supply. On August 1, about 90 percent of the visible Canadian grain storage working capacity was already filled. While many of the prosperous farmers have ample farm storage, some will again find it necessary to store grain on the ground until the country elevators have more space available.

The export demand for Canadian wheat during the 1963-64 season is now officially forecast at 550 million bushels. This, plus a domestic requirement of about 155 million bushels, will result in a manageable carryover of wheat next summer, not the surplus that had been expected.

—FRED J. ROSSITER
U.S. Agricultural Attaché, Ottawa

U.S. Exports of Soybeans, Cakes, Meal Maintain Record Pace But Oils Are Down

Foreign shipments of U.S. soybeans and oilseed cakes and meals are now expected to exceed earlier estimates and to establish a record for the 1962-63 marketing year, which ends Sept. 30.

Soybean exports alone are estimated at 180 million bushels, while exports of cake and meals may exceed 1.6 million tons. Edible oil exports are expected to approach 1.7 billion pounds, slightly less than in 1962-63.

This prediction is based on the record quantities of soybeans and cakes and meals shipped abroad in the first 3 quarters of the current marketing year. By the end of June, soybean exports had risen 14 percent above those for the comparable period in 1961-62; and exports of cakes and meals had gone up 50 percent. In the same period, exports of edible oils had fallen off 3 percent. However, on an oil-equivalent basis, total soybean and edible vegetable oil exports had reached 2.8 billion pounds, up 6 percent.

Soybeans, Edible Oils

Exports during the first three quarters of the year amounted to 147.2 million bushels, 17.8 million above the record established for the same period in 1961-62. Larger shipments to Western Europe and Asia were mainly responsible for the increase.

In Europe, West Germany registered the biggest increase—3 million bushels—and Denmark the second—2.8 million. In both countries expanded livestock output combined with relatively small feed supplies, caused this rise in imports. Britain also purchased 2.8 million bushels more than in the previous year; at the same time, its imports of peanuts from Gambia and palm kernels from Sierra Leone and Nigeria declined.

Japan bought 6.1 million more bushels of U.S. soybeans, largely because its own rapeseed crop dropped as the result of heavy spring and early summer rains. According to the Japanese Ministry of Agriculture and Forestry, sizable additional imports may be required. Shipments to Taiwan were up by 2.6 million bushels, while those to Israel declined.

Through June, exports of soybean and cottonseed oils totaled 1.2 billion pounds, down slightly from the October-June shipments of the previous year. About 8 percent of these shipments moved out under Title III (foreign donations) of Public Law 480, compared with 18 percent in 1961-62.

Soybean oil exports at 882 million pounds were up 3 percent from the comparable period a year earlier. Shipments to Spain, Greece, and Tunisia gained markedly, while shipments to Algeria, South Africa, Yugoslavia, Iran, and Israel also increased; Poland, Pakistan, and Turkey took less.

Cottonseed oil exports, at 316 million pounds, were down one-sixth for this 9-month period—result of smaller shipments to Egypt and West Germany, partly offset by sharp gains to the Netherlands, Morocco, and Iran. Also, "foreign donation" shipments were lower.

Cakes and Meals

Exports of soybean, cottonseed, and linseed cakes and meals totaled 1,294,800 tons during the October-June period—a 50-percent increase over the same period in 1961-62. Exports to Europe, amounting to more than 80 percent of the total, accounted for virtually all of this increase.

Soybean meal exports were responsible for three-fourths of the gain. Larger shipments moved to Spain, Italy, France, Yugoslavia, and Denmark. Shipments to Switzerland, the Philippines, the United Kingdom, and Japan, though relatively small, declined.

Exports of cottonseed and linseed cake and meals, totaling about 110,000 tons, also gained considerably. Most of the increase in cottonseed cake and meal shipments moved to Denmark and Norway; the Netherlands was still top market for linseed cake and meal.

European monthly average prices for soybeans, edible oils, and cakes and meals through June of this year were all above those of the same period last year. Since June, prices of soybeans and edible oils have declined slightly, while meal prices increased.

Through August, average monthly prices for U.S. soybeans in Europe were 5 percent above those of a year ago. The reason was the strong demand for meal as reflected by the sharply increased exports of soybean and linseed meals at prices averaging 9 to 10 percent above those of 1961-62.

European prices for U.S. soybean oil, through August of this year, averaged 8 percent below those of the previous year, mainly because of the increased availability of competing oils, particularly peanut and sunflower. There has been limited commercial trading in cottonseed oil, consequently no European prices have been quoted for more than a year.

—ALAN E. HOLZ
Fats and Oils Division

Secretary Predicts a New Fiscal-Year Export Record

USDA estimates point to an all-time high in farm exports for the current fiscal year, which ends June 30, 1964. This was the core of Secretary Orville L. Freeman's report to the White House Conference on Export Expansion, which took place on September 17 in Washington, D.C.

Department economists and analysts have told the Secretary that the previous record ($5.1 billion in 1962) will not only be broken, but will be broken by a substantial margin. Given the best efforts of government and industry alike, the fiscal 1964 total of agricultural exports could hit $5.5 billion—or even exceed it.

It also appears that the cash-sale portion of farm exports in 1964 will reach a new high. The Secretary gave praise to U.S. agriculture's success at turning foreign purchasing power into purchases. "We are particularly pleased about that," he said. "Any expansion of cash sales abroad helps by that much to correct the present unfavorable balance of payments."

Big Expansion of Japan's Feed Industry Prompts New U.S. Tallow Sales Program

With Japan's mixed feed output expected to double within 5 years, the National Renderers Association, in cooperation with FAS, has arranged to open a Tokyo office to handle a new market development program for U.S. tallow in Japanese livestock rations.

The initial project under the program will be feed trials using U.S. tallow to be run by the Japanese Scientific Feed Association at 16 research centers during the next 2 years. Conducting similar tests will be the Japanese Feed Manufacturing Association and Zen Koren, a large Japanese cooperative.

Though Japan continues to be No. 1 customer for U.S. tallow, sales between 1961 and 1962 dropped off by nearly one third, from 403 million pounds to 270 million. Reason was a shift in Japan toward using more synthetic detergents and less tallow-based laundry soap—mainstay of U.S. tallow exports to that country. The U.S. tallow industry, by promoting tallow in livestock feeds, expects not only to regain lost ground, but surpass former export levels.

USDA market surveys during the past 2 years in Japan revealed that the country could use substantial amounts of imported tallow for blending in feed mixes. The Japanese recognize tallow as an economical source of energy. However, Japan can supply little of the inedible tallow needed by a feed industry expanding at the rate of 40 percent annually. In the current year, feed output may reach 5.6 million tons, of which poultry feed will account for 80 percent.

The work of other U.S. cooperating groups, such as the U.S. Feed Grain Council, to help boost feed consumption in Japan gives further assurance to the success of the tallow market development program.

A market development program for U.S. tallow—stressing soap promotion—was begun in Japan in 1958. The agreement has been largely inactive for the past 18 months because of the decline of domestic soap production around 1960. Several large Japanese soap manufacturers would like to renew this program. Increased emphasis would be put on promotion of toilet soap, for which sales are now increasing at the rate of about 5 percent annually in Japan.

U.S. Markets 1st Wheat With "Quality Guarantee"

In an effort to up dollar sales of U.S. wheat in markets where hard wheat quality counts most, the first experimental shipment of "identity preserved" Hard Red Winter wheat has just arrived at a flour mill in Rotterdam, Netherlands—one of West Europe's largest.

For this special purchase, the buyer, Meneba Flour Mill, has been given a quality guarantee as to the wheat's grading factors, protein content, and sedimentation value by the U.S. Commodity Credit Corporation.

"Identity preserved" means the Commodity Credit Corporation will control the movement of the wheat: from U.S. interior warehouses to the hold of the vessel, the wheat will be handled to prevent mixing with lower qualities and preserve its identity.

Servicing of the test program in Europe will be handled by Great Plains Wheat, Rotterdam. Shipments may go to other European markets.

Japan—U.S. Sign Tobacco Promotion Pact

Present for the recent signing of a new contract to promote sales of U.S. tobacco in Japan during fiscal 1964 were: (seated, l.-r.) Dr. Roland R. Renne, Assistant USDA Secretary for International Affairs; T. Sakata, president, Japan Monopoly Corporation; and J. B. Hutson, president, Tobacco Associates. Others were: (standing, l.-r.) Hugh C. Kiger, FAS Tobacco Division Director; H. Goto, head of the Monopoly's new office at Raleigh, N.C.; J. C. Frink, Tobacco Associates vice-president; and K. Saito, assistant to Mr. Sakata. The Monopoly purchases all tobacco imported into Japan, two-thirds of which comes from the U.S.

Iraqi Buying Mission*

Iraq To Make First Big Dollar Purchase Of U.S. Tobacco Under Title IV Program

An Iraqi tobacco buying mission is in the United States this month to complete arrangements for Iraq's first dollar purchase of U.S. tobacco under Title IV of P.L. 480. Under this long-term credit agreement, which was signed August 27, 3.3 million pounds of U.S. leaf will be bought by Iraq this year, with a good possibility that Iraq will be a potential market for 3 to 4 million pounds per year, or better, during the 1960's.

For the first time in its history, Iraq—a tobacco producer since the 17th Century — will import sizable amounts of quality tobacco to satisfy a growing smokers' preference for American-type cigarettes.

During the early 1950's, sales of cut tobacco for roll-your-own cigarettes far exceeded those of factory types. Then cut tobacco sales declined: from about 7 million pounds in the 1950's to 4.4 million in 1962. Ready-made cigarette sales took up the slack and, by 1960, had risen to 4.3 billion pieces. Since 1958, cigarette consumption in Iraq has increased by over 50 percent. If the cigarette factories in Baghdad and the new Government factory in Sulaimaniya have enough tobacco in 1963, their output should reach approximately 5 billion pieces.

Prime reason for the spurting popularity of manufactured cigarettes has been the rapid rise of per capita incomes in Iraq, in the last decade, and greater purchasing power.

Iraq also enjoys an export trade in cigarettes. About 100,000 pounds go each year to Bahrain and other Persian Gulf ports.

Large cigarette manufacturers are planning ahead to meet this higher demand for cigarettes. A prerequisite, however, must be larger imports of quality tobacco for blending with local leaf. Iraq grows mostly a semi-oriental type of tobacco which tends to be dry, mild in flavor, and low in nicotine—characteristics not preferred by many of Iraq's smokers.

Another concern of manufacturers is that Iraq's tobacco production is not expanding as fast as it might be. Encouraged by favorable prices paid by the Tobacco Monopoly Administration, farmers produced a record crop in 1960 of 27 million pounds. Two years later, however, the disease blue mold caused output to drop to 10.4 million pounds. No quick recovery is seen; there may even be a further reduction in 1963.

In addition, farmers don't always market their full crop to the Tobacco Monopoly Administration. About 700,000 pounds of lower grade tobacco, for example, is grown each year and consumed in farm villages as pipe mixtures or snuff. Of the record 1960 crop, the Administration purchased 18.9 million pounds, or about two-thirds.

If these conditions continue, Iraq may one day become the largest tobacco importer in Western Asia. The next few years will tell.

* *Examining U.S. leaf at the beginning of a tour of tobacco States are (l.-r.) Akram Jaff, Tobacco Monopoly Director General; Mahdi Kadhim Rahdi, merchant, Yacub Latif, Director General of Supply, Finance Ministry.*

London Trade Center's Fall Exhibit Announced

U.S. agriculture's fall showing at the London Trade Center, Oct. 16 through Nov. 9, will feature fruits and vegetables, nuts, and flower and vegetable seeds. This will be the first time fresh fruits and vegetables have been featured at the Center.

The exhibition will be aimed at selected U.K. importers, wholesalers, large retailers, and institutional food users. A number of U.S. agricultural associations and their members have been invited to participate.

U.S. sweetpotato flakes are among the new products to be introduced in the United Kingdom at the Center. The Fall Show will also provide a good opportunity for exporters of apples, pears, and grapes to promote their products prior to the opening of winter quotas for U.S. fruit exports to the United Kingdom. In anticipation of the big Christmas trade, the cranberry and nut industries may have a number of firms participating.

Besides display facilities, exhibitors will have available to them a demonstration kitchen where they can prepare foods before small groups. Motion picture showings can be held in another area. Groups of buyers from nearby cities as well as press representatives will be invited to conferences, trade receptions, and special luncheons. Backstopping the commodity exhibits will be an advertising campaign during the show.

Firms wishing to participate in the London Show should write to Int'l Trade Fairs Div., FAS, USDA, Washington, D. C. 20250.

EEC Opposes French Fruit, Vegetable Subsidies

The EEC Commission has notified the French Government that its system of export marketing subsidies for fresh fruits and vegetables is incompatible with Article 92 and 93 of the Treaty of Rome and requested that such subsidy measures be withdrawn. The system, which involves rebates for transportation, purchases by public authorities for gifts to charities or developing countries, and subsidies to producing associations, covered tomatoes, cauliflower, potatoes, carrots, plums, peaches, pears, melons, and table grapes. The Commission's decision is valid only for French trade with other member states and does not affect export subsidies or trade with third countries.

Potato Export Opportunities

A Greek marketing agency, KYDEP (Central Office, Dorou Street 10, Athens), has announced tenders for 5,500 metric tons of Sebago, 900 of Katahdin, 500 of Kennebec, and 500 of Irish Cobbler seed potatoes with the right to increase or decrease by 30 percent the quantities of any variety.

Origin may be in the United States, Canada, or Europe. Bids will be opened in Athens on October 10. About one-third of the seed is scheduled for delivery in early December and the balance for late in January.

The *Argentina Press* reports that a decree may be issued soon to grant a license for the importation of 10,000 to 20,000 metric tons of table potatoes, free of import duties. These potatoes would be destined for the municipality of Buenos Aires.

India Announces Cotton Export Quota

On August 27, India announced the first allocation under its cotton export quota for the 1963-64 season. The allocation totaled 200,000 bales of 400 pounds gross (about 163,000 bales of 500 pounds gross) of Bengal Desi cotton for shipment through August 1964.

Most of the allocation (190,000 bales of 400 pounds gross) will be made available in accordance with terms established by the Joint Chief Controller of Imports and Exports in Bombay. No part of this cotton will be exportable under a rupee payment agreement. About 10,000 bales have been reserved for export by cooperative societies located in the Bengal Desi producing areas.

Cotton Loans to Japan and Austria

The Export-Import Bank of Washington recently approved loans of $3 million to three Austrian banks and $60 million to the Bank of Tokyo for purchases of U.S. raw cotton during the 1963-64 crop year. Under the agreement, the three Austrian banks will make funds available to Austrian spinners for the purchase of about 20,000 bales. Most of the U.S. cotton imported into Austria is of medium and long staple Upland type.

Exports of around 400,000 bales of U.S. cotton to Japan will be financed during the 1963-64 crop year under the agreement.

U.S. Exports More Cotton Linters in 1962-63

U.S. exports of cotton linters in the 1962-63 season (August-July) totaled 351,000 running bales, mostly of chemical qualities. This was 40 percent above the 250,000 bales shipped in 1961-62. Exports in July amounted to 34,000 bales—the same as in the preceding month but nearly 4 times as much as in July 1962.

Principal destinations in 1962-63, with comparable 1961-62 figures in parentheses, were: West Germany 169,000 bales (131,000); Japan 84,000 (60,000); the United Kingdom 40,000 (29,000); Canada 22,000 (14,000); the Netherlands 13,000 (3,000); the Republic of the Congo 10,000 (0); France 4,000 (10,000); Spain 3,000 (0); East Germany 3,000 (0); and Australia 2,000 (2,000).

U.S. Exports Less Cotton This Season

U.S. exports of all types of cotton during the 1962-63 season (August-July) totaled 3,351,000 running bales. This was 32 percent below the 4,913,000 bales shipped during the 1961-62 season and 38 percent below the recent 5-year (1957-58 through 1961-62) average of 5,447,000 bales. Japan, Canada, Korea, Taiwan, Italy, and France purchased the largest quantities of U.S. cotton in 1962-63, accounting for 60 percent of total exports. The rest went to nearly 50 other countries.

Exports in July were 183,000 bales, compared with 244,000 in June and 464,000 in July 1962.

The decline in exports in 1962-63 was partly the result of a dropoff in consumption in nearly all foreign importing countries and a further reduction in the already low stock position abroad. In addition, an increase of more than 2 million bales in foreign production of cotton in 1962-63 was reflected in larger exports from foreign countries. This, together with larger foreign production of manmade fibers, resulted in increased competition for U.S. cotton in foreign markets.

Exports of U.S. cotton during the 1963-64 season are expected to total about 5 million running bales, which would be a substantial improvement over last season's shipments and close to the preceding 5-year average.

Sales of cotton for export in the 1963-64 season under the competitive bid sales program totaled 2,200,198 bales through September 3, 1963. Registrations under the 1963-64 payment-in-kind export program were 14,502 bales through September 6, 1963. The total of 2,214,700 bales under the two current programs is well above the 480,000 bales registered under the 1962-63 payment-in-kind pro-

gram through September 7, 1962. However, in contrast to last season, substantial quantities of the cotton sold by CCC for export in 1963-64 have been used to fill domestic mill orders under the substitution provision of the sales program. This cotton will need to be replaced through purchases from 1963 crop or private stocks for export later in the season.

COTTON: U.S. EXPORTS BY COUNTRY OF DESTINATION, AVERAGES 1950-54 AND 1955-59, ANNUAL 1960-62 [1]

Destination	Average 1950-54	Average 1955-59	1960	1961	1962
	1,000 running bales	*1,000 running bales*	*1,000 running bales*	*1,000 running bales*	*1,000 running bales*
Austria	37	33	35	33	13
Belgium & Lux.	117	160	179	100	72
Denmark	27	17	23	13	13
Finland	12	22	29	21	13
France	416	360	549	300	180
Germany, West	368	475	421	204	101
Italy	364	416	454	376	192
Netherlands	122	124	179	106	71
Norway	14	10	14	13	10
Poland & Danzig	([2])	85	228	139	62
Portugal	7	28	25	18	7
Spain	135	171	171	155	([2])
Sweden	50	75	101	99	56
Switzerland	40	64	99	75	37
United Kingdom	417	525	371	270	139
Yugoslavia	83	108	88	175	113
Other Europe	9	17	8	9	3
Total Europe	2,218	2,690	2,974	2,106	1,082
Australia	30	54	49	64	41
Canada	297	217	259	397	271
Chile	23	35	51	12	24
Colombia	30	33	0	1	1
Cuba	18	27	2	0	0
Ethiopia	6	4	4	13	15
Hong Kong	8	134	219	104	79
India	246	184	599	215	198
Indonesia	18	30	36	46	51
Israel	12	16	9	10	7
Japan	837	1,154	1,746	1,028	895
Korea, Rep. of	76	205	195	300	236
Morocco	8	10	9	14	8
Pakistan	0	14	5	39	8
Philippines	9	64	149	142	108
South Africa	6	26	51	52	19
Taiwan (Formosa)	84	153	176	256	223
Thailand	1	4	23	30	22
Uruguay	2	15	18	11	0
Venezuela	3	2	([2])	16	5
Vietnam [3]	14	2	26	30	36
Other countries	31	27	32	27	22
Total	3,977	5,100	6,632	4,913	3,351

[1] Year beginning August 1. [2] Less than 500 bales. [3] Indochina prior to 1958. Includes Laos and Cambodia.

Canada Ships More Beef Cattle to Russia

Canada shipped 500 head of Hereford cattle to the Soviet Union in August, via Montreal. This shipment, valued at $250,000, apparently completes the purchases of Herefords by the Russian Trade Mission that visited Canada earlier this year.

This is the fourth consecutive year that the Russians have selected Canadian Herefords for importation, and the total number purchased during the 4 years now amounts to 1,687 head.

Canadians hope to continue sales of cattle to the USSR; they believe that these sales will eventually lead to orders from other Eastern European countries. Their trade officials have stated that the international market for purebred livestock is highly competitive and that Canada must contend with the United States to win business.

Australian Meat Moves to the U.S.

Three shipments of Australian meat are scheduled to arrive at U.S. Gulf and Eastern ports in September and early October. The shipments contain 12,008,640 pounds of beef, 156,800 pounds of mutton, and 15,680 pounds of variety meats.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
				Pounds
Vegaland	New Orleans	Oct. 5	Beef	318,080
Aug. 16	Houston	9	Beef	293,440
			Mutton	100,800
Rockhampton	New Orleans	Sept. 9	Beef	1,050,560
Star	Tampa	20	Beef	535,360
Aug. 25	Charleston	24	Beef	642,880
	Norfolk	25	Beef	669,760
	Philadelphia	26	Beef	1,989,120
	New York	30	Beef	4,992,960
			Mutton	22,400
	Boston	Oct. 4	Beef	940,800
			Mutton	33,600
City of Canberra	[2] Tampa	Sept. 10	Beef	232,960
Aug. 17	Charleston	15	Beef	8,960
	Philadelphia	18	Beef	17,920
	New York	20	Beef	315,840
			Var. meats	15,680

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale.
[2] In addition to amounts reported in *Foreign Agriculture*, September 16, 1963.

Italy's Butter Imports High

Italy imported 20 million pounds of butter in the first quarter of 1963—3 million pounds more than in the corresponding quarter of 1962. Much of the increase was due to larger purchases from Eastern European countries, particularly Rumania and Poland. Receipts from several traditional suppliers, including some of the EEC countries, declined sharply.

ITALY: BUTTER IMPORTS, JANUARY-MARCH, 1963, WITH COMPARISONS

Origin	1961	1962	January-March 1962	January-March 1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Argentina	452	399	174	—
Austria	1,430	[1] 2,225	1,048	618
Belgium	2,103	5,925	3,265	231
Denmark	795	3,605	514	868
France	1,062	7,898	2,125	1,500
Ireland	—	3,644	—	685
Netherlands	2,616	10,457	2,585	2,449
Sweden	937	6,852	1,349	1,537
Bulgaria	544	1,803	306	1,938
Czechoslovakia	66	767	146	210
Germany East	66	—	—	36
Hungary	286	1,127	430	1,895
Poland	1,796	11,776	2,106	2,321
Rumania	1,914	3,902	1,030	4,665
Yugoslavia	18	116	44	67
So. Africa, Republic of	—	3,276	1,812	—
Australia	—	1,478	—	712
Others	20	864	16	42
Total	14,105	66,114	16,950	19,774

[1] Estimated.

Ghana's Tobacco Imports Still Declining

Ghana's imports of unmanufactured tobacco in 1962 declined for the third consecutive year. They totaled 2.2 million pounds, compared with 3.0 million in 1961 and the 1959 high of 5.6 million. Reduced imports last year from the United States and the Rhodesias-Nyasaland more than offset stepped-up takings from India and the initial purchases from Bulgaria.

Imports from the United States, at 1.0 million pounds, were about one-half the 1961 level of 1.9 million, and those from the Rhodesias-Nyasaland at 307,000 pounds, were about one-third smaller than last year's 486,000. However, imports from India rose from 537,000 pounds in 1961 to 722,000 in 1962. Initial imports of Bulgarian leaf last year totaled 150,000 pounds.

Average prices paid to major suppliers in 1962, in terms of U.S. cents per pound, were as follows: the United States, 104.8; the Rhodesias-Nyasaland, 61.7; India, 28.6; and Bulgaria, 47.8. The average price paid per pound from all sources was equivalent to 70.3 U.S. cents.

Imports of cigarettes last year totaled 61 million pieces, compared with 144 million in 1961 and 123 million in 1960. Takings from the United Kingdom dropped from 136 million pieces in 1961 to 56 million in 1962, and those from the United States also dropped, to only 3.5 million pieces, compared with 6.4 million in 1961 and 19.9 million in 1960.

Imports of cigars and cheroots were also down sharply, amounting to 125,000 pieces, compared with 340,000 in 1961. The United Kingdom and the Netherlands were the principal suppliers last year; there were no recorded imports from Belgium, Switzerland, and West Germany, which had previously been minor suppliers.

Combined imports of other manufactured tobacco products during 1962 totaled 135,000 pounds—up slightly from the 127,000 in 1961 but substantially below the 1958 high of 3.0 million. The Netherlands continues to be the principal supplier.

U.S. Tobacco Exports Smaller in July

U.S. exports of unmanufactured tobacco in July 1963 totaled 33.2 million pounds (export weight), compared with 34.6 million in July 1962.

Exports of both flue-cured and burley were below those of July 1962. Substantial gains were recorded, however, for dark-fired Kentucky-Tennessee and Maryland.

For the first 7 months of 1963, total U.S. exports of unmanufactured tobacco were 209.1 million pounds—up 1.8 percent from the 205.4 million exported in January-July 1962. Flue-cured exports were down 2.8 percent, while burley rose 14.4 percent, and Virginia fire-cured, 9.5 percent. Dark-fired Kentucky-Tennessee and Maryland showed the biggest relative increases, rising 23.5 percent and 35.5 percent, respectively. Total value of all tobacco exports in January-July 1963 was $158 million, compared with $155.5 million in the same period of 1962.

U.S. exports of tobacco products in July 1963 were valued at $10.6 million, compared with $9.3 million in July 1962. Gains in exports of cigarettes, cigars, and cheroots, and smoking tobacco in bulk more than offset drops in chewing and snuff and packaged smoking tobacco. For January-July 1963, the total value of all tobacco product exports was $67.4 million, compared with $67.6 million for the similar period of 1962.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO, JULY 1963, WITH COMPARISONS

(Export weight)

Kind	July		January-July		Change, 1963 from 1962
	1962	1963	1962	1963	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	26,855	26,200	161,555	156,959	— 2.8
Burley	4,804	1,909	21,382	24,462	+14.4
Dark-fired					
Ky.-Tenn.	546	1,575	6,653	8,214	+23.5
Va. fire-cured [1]	311	153	2,637	2,887	+ 9.5
Maryland	720	1,832	4,438	6,013	+35.5
Green River	29	242	547	466	—14.8
One Sucker	70	5	189	138	—27.0
Black Fat, etc.	276	311	2,100	2,575	+22.6
Cigar wrapper	404	515	3,053	2,799	— 8.3
Cigar binder	23	69	301	561	+86.4
Cigar filler	—	—	2	169	—
Other	587	404	2,548	3,829	+50.3
Total	34,625	33,215	205,405	209,072	+ 1.8
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	26.9	24.4	155.5	158.0	+ 1.6

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS, JULY 1963, WITH COMPARISONS

Product	July		January-July		Change, 1963 from 1962
	1962	1963	1962	1963	
Cigars and cheroots					
1,000 pieces	1,502	2,626	11,787	18,309	+55.3
Cigarettes					
Million pieces	1,902	1,990	14,007	13,370	— 4.5
Chewing and snuff					
1,000 pounds	156	35	410	329	—19.8
Smoking tobacco in packages					
1,000 pounds	89	60	470	474	+ .9
Smoking tobacco in bulk					
1,000 pounds	523	1,206	4,260	6,001	+40.9
Total declared value					
Million dollars	9.3	10.6	67.6	67.4	— .3

Bureau of the Census.

Liberia's Leaf Tobacco Imports Increase

Liberia imported 832,000 pounds of unmanufactured tobacco during 1962, compared with 594,000 in 1961.

Imports from Nyasaland, the principal supplier, amounted to 466,000 pounds, compared with 297,000 in 1961. Takings from the United Kingdom (re-exports) totaled 274,000 pounds and those from the United States, 6,000.

Average prices paid to major suppliers in 1962, in terms of U.S. cents per pound, were as follows; Nyasaland, 83.3; the United Kingdom, 54.1; and the United States, 84.1. The average price paid per pound from all sources was equivalent to 71.6 U.S. cents.

Liberia's imports of cigarettes last year, at 276 million pieces, were 4.5 percent below the 1961 level of 290 mil-

lion pieces but were still the second largest of record. The United States was the principal supplier, accounting for 95.6 percent of total imports, or 264 million pieces, compared with 279 million in 1961. Takings from the United Kingdom approximated the 10 million pieces of the previous year.

Imports of cigars and cheroots last year, at 510,000 pieces, were about two-thirds below the 1961 level of 1,497,000 pieces and the smallest since 1958. Smaller takings from the United States—308,000 pieces, compared with 1,099,000 pieces in 1961—accounted for most of the decline.

Combined imports of other manufactured products totaled 17,000 pounds, compared with 20,000 for the previous year. Nyasaland, the United States, and the Republic of South Africa remained the principal suppliers.

Northern Rhodesia To Grow Cigar Wrapper

A trial planting of 20 acres of cigar wrapper tobacco for the 1963-64 season is reportedly to be undertaken by the Anglo American Corporation on the Copperbelt in Northern Rhodesia.

During the 1962-63 season, the country's Federal Department of Conservation and Extension tried an initial planting from which leaf samples were submitted to the Dutch trade for assessment. The quality of the leaf samples was reported to have been well rated in relation to that produced in other parts of the world; the value ranged from the equivalent of 17.5 to 35.0 U.S. cents per pound.

Malagasy Tobacco Exports Up

The Malagasy Republic's exports of unmanufactured tobacco turned upward during 1962, after showing a downward trend. Exports last year totaled 7.5 million pounds, compared with 6.2 million in 1961 and the 1955-59 average of 8.8 million.

Shipments to France, the principal export market, rose from 6.1 million pounds in 1961 to 7.4 million in 1962. Exports to Reunion amounted to 43,000 pounds, compared with 54,000 the year before. Average export prices to these destinations, in terms of U.S. cents per pound, were 39.0 for France and 28.3 for Reunion.

Cigarette exports last year were at a record 344,000 pounds. Reunion was the principal export outlet, accounting for 92.7 percent of total shipments.

The Republic's imports of unmanufactured tobacco last year totaled 1.6 million pounds—down about two-fifths from the 1961 high of 2.6 million. Reduced imports from Algeria, the Rhodesias-Nyasaland, Colombia, the Dominican Republic, Spain, and Indonesia, were more than enough to offset stepped-up takings from Morocco, India, Brazil, Greece, Paraguay, and the initial purchases from Czechoslovakia. Also, last year there were no recorded imports from the United States, Poland, Italy, France, and Iran, which supplied from small to significant quantities previously.

Imports from Algeria dropped from 704,000 pounds in 1961 to 249,000 pounds in 1962. Takings from the Rhodesias-Nyasaland, at 81,000 pounds, were about one-third the 1961 level of 234,000 pounds. Also, imports from Spain were about one-third the 220,000 pounds imported during 1961. From Indonesia, takings were down by about 40 percent, from the Dominican Republic, by 22 percent and from Colombia, by 12 percent. However, imports from Brazil rose to 317,000 pounds from 247,000, and those from India to 133,000 from 115,000. Imports from Paraguay totaled 185,000 pounds; those from Morocco, 103,000 pounds; and those from Greece, 29,000 pounds. Initial purchases from Czechoslovakia amounted to 22,000 pounds.

Average prices paid to major suppliers in 1962, in terms of U.S. cents per pound, were as follows: Algeria, 48.1; Spain, 16.8; Greece, 23.8; Morocco, 12.3; Czechoslovakia, 33.7; India, 19.1; Indonesia, 31.5; the Rhodesias-Nyasaland, 27.7; Brazil, 26.4; Colombia, 24.5; the Dominican Republic, 31.0; and Paraguay, 24.4. The average price paid from all sources was equivalent to 28.5 U.S. cents per pound.

Imports of cigarettes last year were also down, amounting to 466,000 pounds, compared with 614,000 pounds in 1961. Reduced imports from France, the principal supplier, accounted for most of the decline; they dropped from 547,000 pounds in 1961 to 338,000 in 1962. However, takings from the United States and the United Kingdom increased, amounting to 66,000 and 29,000 pounds respectively in 1962, compared with 1,085 and 19,000 in 1961.

Imports of smoking tobacco, at 21,000 pounds, were less than one-half the 1961 level of 43,000. Takings from France, the principal supplier, dropped from 36,000 pounds to 18,000. Imports of cigars were also down last year, amounting to only 631 pounds, compared with 3,962 in 1961. The Netherlands and the United States were other principal suppliers in 1962.

Kenya's Tea Production Higher

Production of manufactured tea in Kenya during January-June 1963 totaled 20,883,000 pounds, up 12 percent over the same period last year. Total production in 1962 reached a record 36,217,000 pounds. Exports for the 6-month 1963 period were 18,564,000 pounds, of which 11,524,000 went to the United Kingdom.

Japan Importing More Sugar

Japan's imports of sugar have been on an upward trend. Total imports in 1962 were 1,647,000 short tons compared with 1,508,000 tons in 1961 and the 1955-59 average of 1,285,000 tons.

Trade reports indicate that Japanese firms have already contracted for about 220,000 tons of sugar from Cuba, to be shipped during July-June 1963-64. Imports from Cuba for calendar 1962 amounted to 522,727 metric tons (576,202 short tons).

Japan presently produces about 255,000 tons of sugar per year. The main sources of imports are Australia, South Africa, Taiwan, India, and Cuba.

France Expects Near Normal Sugar Beet Crop

According to recent estimates by the Sugar Beet Growers' Association, France's production of sugar beets this year may be close to normal. The estimates put production at 13 million metric tons—18 percent above last year's 11 million, when yields were reduced by drought. Acreage for 1963 is estimated at 365,000 hectares—an increase of only 7 percent.

Heavier than normal rainfall in the first half of August was generally beneficial to beet growth; however, the continuance of fairly heavy rain could reduce the sugar content of the crop.

The Association has forecast refined sugar production from this year's crop at 1.7 million tons and alcohol production at 1.2 million hectoliters, compared with last year's 1.4 million tons of sugar and 1.1 million hectoliters of alcohol.

Ecuador Plans New Sugar Mill

A new corporation has been formed in Ecuador to erect a sugar mill, valued at over $10 million.

The corporation has approximately 75,000 acres of land located in the same area as the San Carlos and Valdez mills. It expects to grind 5,000-6,000 tons of cane per day during the harvesting season. The mill will employ between 7,000 and 8,000 laborers. Total sugar production in Ecuador amounts to about 150,000 short tons.

India's Tea Crop Smaller

India's tea production during the first 6 months of 1963 amounted to 203 million pounds, down 16 million from the corresponding period in 1962. Most of the decline is attributed to the effects of an early drought in the northeast producing areas. Total 1962 production amounted to 760 million pounds, compared with the record 1961 outturn of 781 million.

British Guiana's Rice Acreage Down Sharply

Heavy rains prevented planting of large areas of British Guiana's autumn rice crop, according to trade sources. Also, the shortage of fuel oil for tractors had delayed planting up to the time of the rains. The result was that only a little over half of the 230,000 acres to be put into rice in British Guiana were planted. The autumn crop usually accounts for about 90 percent of the country's rice production.

Principal areas affected were Mahaica, Mahaicony, and Abary, whose combined rice acreage is over 100,000 acres.

Because of the expected fall in acreage, farmers able to plant their crops were advised to use every means available to attain high yields per acre. These included the use of fertilizers and the control of weeds, pests, and diseases.

British Guiana has nearly doubled rice production in the last 10 years and plans to continue this expansion in the future. Several irrigation projects are underway to increase acreage, and better methods of production and marketing are gradually being applied.

The country's rice stocks on hand at the beginning of the 1963-64 season were plentiful. Bumper crops in the autumn of 1962 and the spring of 1963 had filled warehouses to capacity. Exports from the 1962-63 crop were expected to total at least 90,000 metric tons, of which 63,000 were scheduled to go to the West Indies, a minimum of 15,000 to Cuba, and 22,000 to other places.

BRITISH GUIANA: RICE PRODUCTION AND EXPORTS, AVERAGE 1950-54 AND 1955-59, ANNUAL 1960-62 [1]

Year	Acreage harvested	Yield per acre	Production		Exports (milled)
			Rough	Milled [2] equivalent	
	1,000 acres	*Pounds*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Average:					
1950-54	132	2,126	127.3	76.4	38.3
1955-59	166	1,912	144.0	86.4	44.0
Annual:					
1960	230	1,973	205.8	123.5	91.7
1961	262	1,960	232.9	139.7	91.9
1962	260	2,050	241.8	145.1	—

[1] Crop year beginning August 1.
[2] Rough rice converted to milled at 60 percent.
Compiled from trade estimates.

Japan Forecasts Third Largest Rice Crop

On August 30, Japan announced its first estimate of the 1963 rice crop—12,843,000 metric tons of brown rice (16,054,000, rough equivalent). This estimate was based on conditions as of August 15.

Only two larger crops have been produced—the record one a year ago, and the exceptionally good crop of 1960 Earlier this season, excessive rain dimmed prospects for a good crop, but the conditions improved later.

This years' rice acreage is about the same as the 8,116,000 acres harvested in 1962. Calculated yields, therefore, at 4,360 pounds of rough rice per acre, are at a near-record level—second only to the 1962 record of 4,417 pounds per acre.

The Ministry of Agriculture and Forestry also announced that 1963 preharvest contracts of growers selling to the Food Agency were progressing well. Through August 20, contracts for 6,380,000 tons of brown rice were negotiated—almost exactly as much as through August 20, 1962.

This prospective large crop of rice, if realized, will help to offset losses in the 1963 wheat and barley crops. Japan's production of these grains is estimated to be 45 percent below 1962 levels.

JAPANESE PRODUCTION AND GOVERNMENT PURCHASES OF RICE, 1960-63

Year	Production		Government purchases	
	Brown rice	Rough rice equivalent	Brown rice	Rough rice equivalent
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
1960	12,859	16,074	6,139	7,674
1961	12,419	15,524	6,229	7,786
1962	13,009	16,261	[1] 6,760	[2] 8,450
1963 [1]	12,843	16,054	[2] 6,380	[2] 7,975

[1] Preliminary. [2] Preharvest contracts, as of August 20.
Ministry of Agriculture and Forestry.

Philippine Rice Prices Higher in 1963

Philippine rice prices in the first half of 1963 displayed a marked advance over those in the same months of 1962, particularly for average-grade rice.

The average wholesale prices, although consistently higher than in January-June 1962, followed the annual trend of increasing in April and May and turning slightly downward in June. The average 1963 June quotation for First-Class and Second-Class Macan, at $10.48 per 100 pounds, was 14 percent higher than the $9.19 in June 1962 and also 14 percent above the January 1963 price of $9.21.

Domestic production has not been adequate for Philippine rice consumption so far in 1963. All the 110,000 metric tons of milled rice purchased from Burma and Thailand in May is being distributed to the public by the Rice and Corn Administration.

The Philippines has recently bought additional rice—20,000 tons from South Vietnam and 35,000 from Burma; another 40,000 tons are reportedly being purchased. All imports are under government-to-government contracts.

It is estimated that even further imports will be needed to stabilize prices until November, when increased local supplies can be obtained from the next major harvest.

MILLED RICE: PHILIPPINE AVERAGE WHOLESALE PRICES,[1] JANUARY 1961-JUNE 1963

Month	1st-Class Wagwag			1st and 2d, Macan		
	1961	1962	1963	1961	1962	1963
	Dol. per cwt.	*Dol. per cwt.*	*Dol. per cwt.*	*Dol. per cwt.*	*Dol. per cwt.*	*Dol. per cwt.*
January	13.22	14.11	13.22	9.11	8.40	9.21
February	12.32	13.75	13.57	9.21	8.44	9.21
March	11.83	13.57	13.85	9.42	8.46	9.40
April	11.95	13.57	14.78	9.77	8.63	10.23
May	13.47	13.57	14.78	([2])	8.99	10.52
June	12.76	13.57	13.57	([2])	9.19	10.48
Average	12.59	13.69	13.96	9.38	8.68	9.84
July	12.45	13.57	——	([2])	9.46	——
August	13.06	13.57	——	([2])	9.78	——
September	12.08	12.96	——	[3] 11.14	9.21	——
October	14.78	12.96	——	9.42	9.21	——
November	13.75	13.16	——	9.04	9.26	——
December	12.76	12.76	——	8.47	8.47	——
Average	12.94	13.41	——	9.45	8.96	——

[1] Pesos converted at 2 to U.S. $1.00. [2] Not quoted. [3] Nominal. Philippine Bureau of Commerce.

Canadian Flaxseed, Rapeseed Crops Increase

The Dominion Bureau of Statistics reports that on the basis of the yields indicated as of August 15, Canada's 1963 flaxseed and rapeseed crops are substantially larger than last year's.

Flaxseed production is estimated at 18.7 million bushels, one-sixth above the 1962 outturn but still one-sixth below the 1955-59 average. Compared with last year's, seeded acreage has increased 17 percent, but average yields are unchanged. Manitoba accounts for 8.1 million bushels of the current crop, while Saskatchewan and Alberta are expected to produce 6.5 million and 3.3 million bushels, respectively.

Rapeseed production, estimated at 441 million pounds, is up 50 percent from last year's and 60 percent from the 1955-59 average. Seeded acreage increased almost one-third, and average yields are some 16 percent above last year's average. Saskatchewan is expected to account for almost 60 percent of the total, Alberta for 30 percent, and Manitoba for 10 percent.

CANADA: FLAXSEED AND RAPESEED ACREAGE, YIELD PER ACRE, AND PRODUCTION, 1960-63

Year	Flaxseed		
	Acreage	Yield per acre	Production
	1,000 acres	*Bushels*	*1,000 bushels*
1960	2,508	9.0	22,477
1961	2,086	6.9	14,318
1962	1,445	11.1	16,042
1963 [1]	1,685	11.1	18,690
	Rapeseed		
	Acreage	Yield per acre	Production
	1,000 acres	*Pounds*	*1,000 pounds*
1960	763	729	556,000
1961	710	790	561,000
1962	371	789	293,000
1963 [1]	484	912	441,000

[1] As indicated on the basis of conditions on or about August 15. Dominion Bureau of Statistics, Ottawa.

Malaya's Palm Product Exports Up

The Federation of Malaya exported 29,335 short tons of palm oil and 6,628 tons of palm kernels during the first quarter of 1963, compared with 27,130 and 5,097 tons in the corresponding period of 1962—increases of 8 and 30 percent, respectively.

Malayan imports of palm oil and palm kernels during January-March 1963 totaled 2,240 and 683 tons, respectively, down from the 2,370 and 1,934 tons imported in the corresponding period of 1962.

U.S. Exports of Soybeans, Edible Oils, Meals

Although U.S. exports of soybeans and cakes and meals in July declined somewhat from the previous month, cumulative exports in the October-July period of the current marketing year were at levels exceeding the records established for the entire year 1961-62. July exports of edible oils made slight gains but October-July exports remained below the previous year's.

In July, *soybean* exports were down 8 percent from June, but cumulative exports in October-July continued at a record level, one-sixth above those in the same 1961-62 period. Major destinations in July with their percentages of total exports were Canada 28, Japan 25, Israel and the Netherlands 11 each, Taiwan 8. Exports to Canada no doubt include sizable transshipments to Europe.

July exports of *edible oils* (soybean and cottonseed) were up slightly from June's. Cumulative shipments are down about 12 percent, but foreign donations are only 8 percent of the total, against 15 percent last year.

U.S. *soybean oil* exports in July were up 7 percent from June. Major destinations (exclusive of foreign donations), with percentages of the total, were Spain 31, Pakistan 19, Morocco 7, Tunisia 6, Israel 5, Hong Kong 3. Cumulative exports were 6 percent below last year's.

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Cottonseed oil exports in July made slight gains from June because of increased foreign donations. Major destinations and percentages were Morocco 28, Pakistan 26, Venezuela 17, Canada 12, Iran 11. Cumulative exports are down one-fourth from those of last year.

Exports of *cakes and meals* in July declined by one-sixth from those reported in June, but cumulative shipments are still 50 percent above those in the corresponding period last year. This quantity also exceeds the 1961-62 record total of 1.12 million tons by more than one-fourth. *Soybean meal* exports again accounted for virtually all of the month's total with Canada taking 21 percent, Italy 20, France 17, West Germany, Denmark, and the Netherlands 13 each, and Hungary 9.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILSEED CAKES AND MEALS, JULY 1963

Item	Unit	July		October-July	
		1962 [1]	1963 [1]	1961-62 [1]	1962-63 [1]
Soybeans	Mil. bu.	8.1	14.3	137.4	161.4
Oil equiv	Mil. lb.	89.2	156.5	1,509.0	1,772.2
Meal equiv	1,000 tons	190.9	335.0	3,229.6	3,793.1
Edible oils:					
Soybean:					
Commercial [2]	Mil. lb.	170.3	81.2	875.7	[3] 897.8
Foreign donations [4]	do.	5.1	2.8	155.9	67.8
Cottonseed:					
Commercial [2]	do.	55.3	16.0	368.5	304.0
Foreign donations [4]	do.	2.9	.7	71.6	28.4
Cakes, meals:					
Total oils	do.	233.6	100.7	1,471.7	1,298.0
Soybean	1,000 tons	76.7	120.5	923.7	1,295.1
Cottonseed	do.	.1	1.0	3.0	74.4
Linseed	do.	—	—	11.7	37.2
Total cakes and meals [5]	do.	76.8	121.5	938.7	1,416.2

[1] Preliminary. [2] Includes Title I, II, and IV, P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Includes 32,855,509 pounds exported to Spain in January, but returned without being discharged. [4] Title III, P.L. 480. [5] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from records of the Bureau of the Census and USDA.

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